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DE RUEHKT #1267/01 1381149 ZNY CCCCC ZZH O 181149Z MAY 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 1495 INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 4011 RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 9741 RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 4614 RUEHKA/AMEMBASSY DHAKA IMMEDIATE 9718 RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 4359 RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 2601 RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0884 RUEAIIA/CIA WASHDC IMMEDIATE RHEHNSC/NSC WASHDC IMMEDIATE RHEFDIA/DIA WASHDC IMMEDIATE RUEKJCS/SECDEF WASHDC IMMEDIATE RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE

C O N F I D E N T I A L KATHMANDU 001267

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SUBJECT: POWER PLAY TO WATER DOWN PROCLAMATION FAILS

REF: A. KATHMANDU 1262

¶B. NEW DELHI 3433

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

Summary

11. (C) Just a few hours before the Prime Minister's planned May 18 3:00 pm proclamation to limit the King's power and place the army under civilian control, rumors swirled around Kathmandu that the Army and the King were planning a preemptive coup. The leaders of two of Nepal's biggest parties, Nepali Congress-Democratic (NC-D) and CPN-UML, told us Indian Defense Minister Mukherjee had separately called them May 17 to ask Parliament to go slowly in changing the King's role vis-a-vis the Army. Chief of Army Staff General Thapa told the Ambassador that on the morning of May 18 he had met with the Prime Minister and urged caution, saying he was unsure of his troops' reaction if the government appeared to be acting vindictively toward the King. The Prime Minister had rejected General Thapa's request to postpone the proclamation. At the end of the day, the PM withstood the pressure and power play and issued the proclamation as drafted - putting the King in a box and the army under the new civilian government's control (septel). End Summary.

King and Army Planning A Coup?

12. (C) Just after noon on May 18, NC-D President and former Prime Minister Sher Bahadur Deuba called the Ambassador to inform him that he had heard rumors the King and Army were planning a coup at 2:00 pm to preempt the Prime Minister's 3:00 pm proclamation, which was expected to rein in the King's powers and place the Army under the control of the civilian government. Deuba noted that the Crown Prince's children were pulled out of school early. (We subsequently heard that many Kathmandu schools closed early as a precautionary measure to a possible volatile reaction to the expected proclamation on the part of extremists.) Emboffs' contacts said that the Army had not moved to stand-by status, although some, including Indian Embassy colleagues, had also heard coup rumors. The Indian Defense Attache told us that he had recently heard of a plan formulated one week ago.

¶3. (C) Deuba immediately called back to tell the Ambassador that Indian Defense Minister Pranab Mukherjee had called him the evening of May 17 to urge the Parliament to go slowly and not do anything regarding the King's constitutional role until there was a constituent assembly. Deuba had objected that he would be lynched if he raised such a position publicly. Deuba said he had suggested that DefMin Mukherjee contact other senior political leaders. CPN-UML General Secretary MK Nepal subsequently told the Ambassador that he

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had also received a call from DefMin Mukherjee.

Proclamation Toned Down

14. (C) Royal Nepalese Army (RNA) Director of Public Relations General Chand told Emboff that the Prime Minister had agreed to tone down the proclamation, the proposed text of which had been widely carried in May 18 daily papers. According to Chand, the proclamation would not address the King's title of supreme commander-in-chief, dismantle the Palace Secretariat, or discuss the monarchy's succession. MK Nepal confirmed to the Ambassador mid-afternoon May 18 that the proclamation would avoid the issue of supreme commander-in-chief. He worried this could result in trouble in the streets, but lamented that party leaders felt they had no choice. He said that the proclamation would be a political declaration that the Army comes completely under control of the Cabinet and government, with details to be worked out later. He speculated that it would not be a robust statement.

COAS Thapa Pressures PM

- ¶5. (C) After talking to Deuba, the Ambassador telephoned Chief of Army Staff General Pyar Jung Thapa the afternoon of May 18 to convey our worries that we were hearing distressing rumors of a possible coup and of pressure from the Army on the political parties not to take any action limiting the role of the King absent a constituent assembly. Ambassador warned Thapa that such actions would be extremely dangerous. The Ambassador stressed that any coup-making would make it impossible for the USG to cooperate with the Army; indeed, such action would give pariah status to the Thapa said he had met with PM Koirala that morning and assured him of the loyalty of himself and of the RNA as an institution to the constitutional government. He acknowledged that he had said it would be better if the government followed constitutional procedures to limit the King's powers. He had suggested making any change to the King's authority through amending the constitution in order to avoid subsequent legal actions. Thapa said he had urged statesmanship and reconciliation rather than retribution. He stated that he had told the PM that if it appeared that the government was acting vindictively toward the King, some RNA units might not react well.
- 16. (C) The Ambassador pushed back and cautioned COAS Thapa against giving political/constitutional advice to the government, advising him that that was not the role of an Army chief in a democratic dispensation. The Ambassador objected that it sounded as if the General had threatened a coup if things did not go the way the army liked. Thapa replied that he had focused most of his comments to the PM on the increasing Maoist threat in the Kathmandu Valley. He had advised Koirala to be wary of making the same mistakes made by governments during the previous cease-fires, when past governments had released Maoist prisoners and Maoists had been able to strengthen themselves. The Ambassador agreed that such advice was appropriate. However, he warned Thapa that a limp proclamation ran the risk of putting the government back to a situation similar to three weeks ago with chaos in the streets and near anarchy across the country. Only this time, the people would blame the current

government if things got out of control, which would only help the Maoists. General Thapa objected that that was not his intention. Finance Minister Ram Sharan Mahat, Nepali Congress Central Working Committee, confirmed the gist of the Thapa-PM conversation. He added that, according to the Prime Minister, Thapa had suggested that the PM postpone the proclamation and also consult with the King. The Prime Minister had told Thapa there was no way he could delay the proclamation.

Comment

 $\underline{\mathbf{1}}$ 7. (C) In the end, the GON, perhaps buttressed by our phone calls, passed the proclamation as originally drafted and thereby limited the King's ability to control the Army. effectively places the constitutional forces on one side and the Maoists on the other to address peace negotiations. While superficially attractive, Thapa's suggestion to make the changes by constitutional amendment, requiring two-thirds majorities in both the House of Representatives and the National Assembly looks like a ruse designed to prolong the relationship between the King and the Army. Less than one-third of the National Assembly currently exists and electing a quorum would have taken months. We were stunned by the reports from Deuba and MK Nepal that India's Defense Minister Mukherjee had also called with go-slow advice. We view it as positive that our Indian Embassy colleagues here also seemed surprised. Presumably, the calls were driven by fears of rumors of coup-making, but we are sure the calls have raised Nepali suspicions about motives for Indian interference.

MORIARTY